

Fortune 100 aerospace company – Lean Six Sigma Implementation

Key Benefit - Company achieved \$4 billion in cost saving over 4 year period

Background

A large multinational aerospace and defense conglomerate with \$53 billion in revenue. It has 130,000 employees located in 45 states and 56 countries. It acquired over 18 different companies with different processes and business practices and wanted to build common processes through Operations Excellence.

Challenges

Change Management was the biggest challenge. Trying to make 125,000 people thinking and working in a new way was a daunting task. The company had massive challenge around 1)increased expectations 2)keeping every part of the business on the same path 3)extreme variation in processes 4)sustained leadership and 5)change management.

Resolution and Benefits

To date the Operations Excellence initiative has encompassed over 5,000 project. The initial target for this organization was \$3.7 billion in cost savings over a four year period, the actual achieved cost saving was over \$4 billion. The company resolved its Operations Excellence objective by focusing on these five principles:

- 1) Understanding value from the customer's perspective
- 2) Understanding the value streams
- 3) Understanding key processes and workflow
- 4) Focusing on cycle time and pull
- 5) Striving for perfection

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